

Even Federal Reserve Chairman Alan Greenspan has problems deciding whether the economy is going up or down in the next 3 months. How can we plan 10 years ahead? It is a course guaranteed to lead us to terrible consequences.

Then-Governor Bush led Texas, based on a "rosy scenario," to enact massive tax cuts which today has Texas reeling over a \$700 million annual deficit.

Once you cut federal revenues by \$1.6 trillion and if the surpluses melt away to deficits, we will repeat the 10 years of agony we all suffered under the Reagan-Bush deficits of 1982–1992 federal budgets.

For these reasons, I shall vote "no" on H.R. 3 and urge my colleagues to do the same.

IN MEMORY OF BEATRICE L.
PETERSON

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 2001

Mr. TRAFICANT. Mr. Speaker, today, I am deeply saddened to share the news of the passing of Beatrice L. Peterson.

Beatrice L. Peterson was born on June 16, 1931 to Raymond H. and Annabelle Allen McFate. She married Edward Kerr Peterson July 1, 1946 who died December 20, 1997. She is survived by a brother, Charles McFate; a sister, Mrs. Shirley Peterson; two daughters, Diane Was and Brenda Ellis; and a son, Edward K. Peterson, Jr. Two of her children, Rita Ann Peterson and Robert Carlson are deceased.

Beatrice was an amazing woman. A graduate of Choffin School of Nursing in Youngstown, she worked for over a decade at St. Joseph Riverside Hospital as a licensed practical nurse before retiring in 1985.

Beatrice loved the outdoors. Whenever she had a spare moment, she could be found outside, usually working in her garden. Camping was another of her beloved pastimes.

Beatrice Peterson will be sorely missed in the Bristolville community, where she loyally attended Grace Baptist Church. She touched the lives of many people, including mine, and was adored by all who had the privilege to know her. I extend my deepest sympathy to her friends and family.

SMALL BUSINESS
TELECOMMUTING ACT

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 2001

Mr. UDALL of Colorado. Mr. Speaker, today I am joined by my colleagues, Representatives FROST, OWENS, HILLIARD, MCKINNEY, BALDACCI, BLUMENAUER, CUMMINGS, DAVIS (IL), HINOJOSA, KUCINICH, MCGOVERN, TAUSCHER, BAIRD, BALDWIN, TUBBS JONES, UDALL (NM), WU, and JO ANN DAVIS (VA), in introducing the Small Business Telecommuting Act to assist our nation's small businesses in establishing successful telework programs for their employees. Senator JOHN KERRY of Massachusetts will be introducing companion legislation in the Senate.

Across America, numerous employers are responding to the needs of their employees and establishing telecommuting programs. In 2000, there were an estimated 16.5 million teleworkers. By the end of 2004, there will be an estimated 30 million teleworkers, representing an increase of almost 100%. Unfortunately, the majority of growth in new teleworkers comes from organizations employing over 1,500 people, while just a few years ago, most teleworkers worked for small to medium-sized organizations.

By not taking advantage of modern technology and establishing successful telecommuting programs, small businesses are losing out on a host of benefits that will save them money, and make them more competitive. The reported productivity improvement of home-based teleworkers averages 15%, translating to an average bottom-line impact of \$9,712 per teleworker. Additionally, most experienced teleworkers are determined to continue teleworking, meaning a successful telework program can be an important tool in the recruitment and retention of qualified and skilled employees. By establishing successful telework programs, small business owners would be able to retain these valuable employees by allowing them to work from a remote location, such as their home or a telework center.

In addition to the cost savings realized by businesses that employ teleworkers, there are a number of related benefits to society and the employee. For example, telecommuters help reduce traffic and cut down on air pollution by staying off the roads during rush hour. Fully 80% of home-only teleworkers commute to work on days they are not teleworking. Their one-way commute distance averages 19.7 miles, versus 13.3 miles for non-teleworkers, meaning employees that take advantage of telecommuting programs are, more often than not, those with the longest commutes. Teleworking also gives employees more time to spend with their families and reduces stress levels by eliminating the pressure of a long commute.

Mr. Speaker, our legislation seeks to extend the benefits of successful telecommuting programs to more of our nation's small businesses. Specifically, it establishes a pilot program in the Small Business Administration (SBA) to raise awareness about telecommuting among small business employers and to encourage those small businesses to establish telecommuting programs for their employees.

Additionally, an important provision in our bill directs the SBA Administrator to undertake special efforts for businesses owned by, or employing, persons with disabilities and disabled America veterans. At the end of the day, telecommuting can provide more than just environmental benefits and improved quality of life. It can open the door to people who have been precluded from working in a traditional office setting due to physical disabilities.

Our legislation is also limited in cost and scope. It establishes the pilot program in a maximum of five SBA regions and caps the total cost to five million dollars over two years. It also restricts the SBA to activities specifically proscribed in the legislation: developing educational materials; conducting outreach to small business; and acquiring equipment for demonstration purposes. Finally, it requires the SBA to prepare and submit a report to Congress evaluating the pilot program.

Several hurdles to establishing successful telecommuting programs could be cleared by enacting our legislation. In fact, the number one reported obstacle to implementing a telecommuting program is a lack of know-how. Our bill will go a long way towards educating small business owners on how they can draft guidelines to make a telework program an affordable, manageable reality.

LEGISLATION TO CHANGE THE INTERNAL REVENUE CODE'S COST RECOVERY RULES

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 2001

Mr. SHAW. Mr. Speaker, as a Member of Congress, I am continually seeking sound policy changes that will make and keep our economy productive, create jobs and improve the overall quality of life for Americans. It is my belief that an important elements of a productive economy is modern, efficient and environmentally responsible space for Americans to work, shop and recreate. In order to create and maintain such space, a building owner must regularly change, reconfigure or somehow improve office, retail and commercial space to meet the needs of new and existing tenants.

I believe that the Internal Revenue Code's cost recovery rules associated with leasehold improvements are an impediment for building owners needing to make such improvements. Therefore, I am pleased to introduce this legislation to change the cost recovery rules associated with leasehold improvements.

Simply stated, this legislation would allow building owners to depreciate specified building improvements using a 10-year depreciable life, rather than the 39 years required by current law, thereby matching more closely the expenses incurred to construct these improvements with the income the improvements generate under the lease.

To qualify under the legislation, the improvement must be constructed by a lessor or lessee in the tenant-occupied space. In an effort to ensure that the legislation is as cost efficient as possible, improvements constructed in common areas of a building, such as elevators, escalators and lobbies, would not qualify; nor would improvements made to new buildings.

Office, retail, or other commercial rental real estate is typically reconfigured, changed or somehow improved on a regular basis to meet the needs of new and existing tenants. Internal walls, ceilings, partitions, plumbing, lighting and finish each are elements that might be the type of improvement made within a building to accommodate a tenant's requirements, and thereby ensure that the work or shopping space is a modern, efficient, and environmentally responsible as possible.

Unfortunately, today's depreciation rules do not differentiate between the economic useful life of a building improvement—which typically corresponds with a tenant's lease-term—and the life of the overall building structure. The result is that current tax law dictates a depreciable life for leasehold improvements of 39 years—the depreciable life for the entire building—even though most commercial leases